



[4830-01-p]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[TD 9728]

RIN 1545-BD71

Determination of Distributive Share When Partner's Interest Changes; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations; correction.

SUMMARY: This document contains corrections to final regulations (TD 9728) that were published in the **Federal Register** on Monday, August 3, 2015 (80 FR 45865). The final regulations regarding the determination of a partner's distributive share of partnership items of income, gain, loss, deduction, and credit when a partner's interest varies during a partnership taxable year.

DATES: This correction is effective **INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER** and applicable August 3, 2015.

FOR FURTHER INFORMATION CONTACT: Benjamin H. Weaver of the Office of Associate Chief Counsel (Passthroughs and Special Industries at (202) 317-6850 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9728) that are the subject of this correction are under section 706 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9728) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

Accordingly, the final regulations (TD 9728), that are subject to FR Doc. 2015-18816, are corrected as follows:

1. On page 45866, in the preamble, third column, last sentence of first full paragraph, the language “rules, including section 706(d)(2) and section 706(d)(3).” is corrected to read “rules, including section 704(c), §1.704-3(a)(6) (reverse section 704(c)), section 706(d)(2), and section 706(d)(3).”

2. On page 45868, in the preamble, first column, fourth line from the bottom of the column, the language “interim closings of its books except at” is corrected to read “interim closing of its books except at”.

3. On page 45871, in the preamble, second column, third line from the bottom of the column, under paragraph heading “ v. Deemed Timing of Variations,” the language “taxable year was deemed to close at the” is corrected to read “taxable year was deemed to occur at the”.

4. On page 45873, in the preamble, third column, eighth line from the bottom of the column, the language “taxable as of which the recipients of a” is corrected to read “taxable year as of which the recipients of a”.

5. On page 45874, second column, eight lines from the bottom of the column, the following sentence is added to the end of the paragraph: “These final regulations do not override the application of section 704(c), including reverse section 704(c), and therefore

the final regulations provide that the rules of section 706 do not apply in making allocations of book items upon a partnership revaluation.”

6. On page 45876, in the preamble, second column, under paragraph heading “Effective/Applicability Dates”, fifth line of the first paragraph, the language “of a special rule applicable to §1.704-” is corrected to read “of a special rule applicable to §1.706-”.

7. On page 45876, in the preamble, second column, under paragraph heading “Effective/Applicability Dates”, third line of the second paragraph, the language “regulations apply to the partnership” is corrected to read “regulations apply to partnership”.

8. On page 45876, in the preamble, third column, fourth line from the top of the column, the language “that was formed prior to April 19, 2009.” is corrected to read “that was formed prior to April 14, 2009.”

9. On page 45877, first column, under paragraph heading “List of Subjects,” the fourth line, the language “26 CFR Part 2” is corrected to read “26 CFR Part 602”.

10. On page 45883, third column, the first line of the signature block, the language “Karen L. Schiller,” is corrected to read “Karen M. Schiller.”.

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